

Sarah Williams
Staff Attorney

August 12, 2014

Re: Additions to Section 26D of the ICC Rules to Provide for Clearing of Additional Standard Emerging Sovereign Single Name Constituents of the CDX Emerging Markets Index Pursuant to Section 5c(c)(1) of the Commodity Exchange Act and Commission Regulation 40.6

VIA E-MAIL

Ms. Melissa Jurgens
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, D.C. 20581

Dear Ms. Jurgens:

ICE Clear Credit LLC (“ICC”) hereby submits, pursuant to Section 5c(c)(1) of the Commodity Exchange Act and Commodity Futures Trading Commission (“Commission”) Regulation 40.6, a self-certification of amended ICC Rules (the “Amended Rules”) to provide for the clearance of additional Standard Emerging Sovereign Single Name constituents of the CDX Emerging Markets Index (collectively, “SES Contracts”), namely the Republic of Hungary and the Republic of South Africa. ICC is registered with the Commission as a derivatives clearing organization (“DCO”). ICC intends to make the Amended Rules effective no sooner than the tenth business day following the filing of this submission with the Commission at its Washington, D.C. headquarters and with its Chicago regional office.

This submission includes the Amended Rules. A description of the principal changes contained in the Amended Rules follows. Certification of the Amended Rules pursuant to Section 5c(c)(1) of the Act and Commission Regulation 40.6 is also provided below.

The purpose of proposed rule change is to adopt rules that will provide the basis for ICC to clear additional credit default swap contracts. Currently, ICC clears six SES Contracts: four Standard Latin America Sovereign Single Name constituents of the CDX Emerging Markets Index (the Federative Republic of Brazil, the United Mexican States, the Argentine Republic, and the Bolivarian Republic of Venezuela) and two Standard Emerging European and Middle Eastern Sovereign Single Name constituents of the CDX Emerging Markets Index (“SEEME Contracts”) (the Republic of Turkey and the Russian Federation). ICC proposes amending Subchapter 26D of its Rules to provide for the clearance of two additional SEEME Contracts, specifically the Republic of Hungary and the Republic of South Africa. ICC currently clears Series 14-21 of the CDX Emerging Markets Index. Of the CDX Emerging Markets Indices cleared by ICC, the Republic of Hungary is a constituent of the CDX Emerging Markets Index, Series 14-18, and the Republic of South Africa is a constituent of the CDX Emerging Markets Index, Series 14-21. These two additional SEEME Contracts will be offered on the 2003 and 2014 ISDA Credit Derivatives Definitions. The addition of these SEEME Contracts will allow market participants an increased ability to manage risk, by providing market participants the ability to offset related index positions.

These additional SEEME Contracts have terms consistent with the other SEEME Contracts currently cleared by ICC and governed by Subchapter 26D of the ICC rules, namely the Russian Federation and the Republic of Turkey. Minor revisions to Subchapter 26D (Standard Emerging Sovereign (“SES”) Single Name) are made to provide for clearing the additional SEEME Contracts. These revisions are annexed as Exhibit A hereto and are described as follows.

ICC Rule 26D-102 is also modified to include the Republic of Hungary and the Republic of South Africa in the list of specific Eligible SES Reference Entities to be cleared by ICC. The addition of these products does not require any changes to ICC’s Risk Management Framework or other policies and procedures.

Core Principle Review:

ICC reviewed the DCO core principles (“Core Principles”) as set forth in the Commodity Exchange Act. During this review, ICC identified the following Core Principles as being impacted:

Participant and Product Eligibility: ICC has set appropriate standards in ICC’s policies and procedures for determining the eligibility of contracts. The additional SEEME Contracts fulfill ICC’s standards regarding product eligibility.

Risk Management: ICC currently clears six SES Contracts. ICC will apply its established margin and pricing methodology to the additional SEEME Contracts.

Settlement Procedures: The additional SEEME Contracts are subject to ICC’s current physical settlement rules under Chapter 22: CDS Physical Settlement.

Amended Rules:

The proposed change consists of revisions to Subchapter 26D of the ICC Rules to provide for the clearance of additional SEEME Contracts, namely the Republic of Hungary and the Republic of South Africa.

Annexed as an Exhibit hereto is the following:

- A. Proposed amendments to the ICC Rules

Certifications:

ICC hereby certifies that the Amended Rules comply with the Act and the regulations thereunder. There were no substantive opposing views to the Rules.

ICC certifies that, concurrent with this filing, a copy of the submission was posted on ICC’s website, which may be accessed at: <https://www.theice.com/clear-credit/regulation>

ICC would be pleased to respond to any questions the Commission or the staff may have regarding this submission. Please direct any questions or requests for information to the attention of the undersigned at (312) 836-6883.

Sincerely,



Sarah Williams
Staff Attorney

Enclosures

cc: Brian O'Keefe, Commodity Futures Trading Commission (by email)
Kate Meyer, Commodity Futures Trading Commission (by email)
Tad Polley, Commodity Futures Trading Commission (by email)
Eric Nield, ICE Clear Credit (by email)
Michelle Weiler, ICE Clear Credit (by email)